

Medical Care Advisory Council

Advisory Council to the Medicaid Director

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October 1, 2015

The Honorable Sylvia Mathews Burwell
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Burwell:

On behalf of the Michigan Medical Care Advisory Council, the federally mandated advisory body to the state Medicaid director, I am writing to express our strong support for long-term continuation of the Healthy Michigan Plan (HMP). This Affordable Care Act Medicaid expansion program, implemented under federal waiver in April 2014, has experienced unprecedented success, surpassing all enrollment projections, and is currently covering about 600,000 low-income Michigan residents who can now take control of their health. To meet the requirements of the law that established the Healthy Michigan Plan, the Michigan Department of Health and Human Services, MDHHS, has submitted the required waiver amendment for your approval to continue the program after April 30, 2016. **We are supporting the approval of Michigan's waiver amendment with recommended safeguards and protections for beneficiaries as detailed below.**

The Council has worked cooperatively with the MDHHS in the development of the policy and implementation of the Healthy Michigan Plan. Formal updates are provided by the MDHHS at the quarterly meetings and Council member concerns are discussed and addressed. Informally, there have been many additional interactions with various council members to assure that the needs of Michigan's Medicaid beneficiaries continue to be met. MDHHS has been very willing to listen to member concerns and to seek solutions when issues are identified. We have enjoyed an ongoing productive relationship with the former Medicaid Director, Mr. Steve Fitton until his retirement earlier this year, with Ms. Kathy Stiffler, the current Acting Medicaid Director, and we look forward to continuing this relationship with Mr. Chris Priest, the new Medicaid Director when he takes office in October.

We recognize that the provisions of this waiver amendment will impact only a small percentage of the program enrollees, but without approval of this amendment, the program would end for all 600,000 current enrollees due to the stipulations of the state law creating the Healthy Michigan Program. In any given month, only 15% to 18% of enrollees have incomes between 100% and 133% of the federal poverty level, and only a subset of those enrollees would be affected by the waiver amendment – due to enrollees who are exempt from cost sharing or who have not been enrolled for 48 cumulative months.

This is clearly a new direction for the Michigan Medicaid program and naturally there are concerns that have been raised by various groups and organizations. We fully expect that these concerns will be the subject of terms and conditions for this waiver amendment that will enable the program to continue while providing strong safeguards for Healthy Michigan Plan enrollees to have affordable and accessible coverage. As an example of a condition that may be considered, **Council members recommend a process for a hardship exemption to cost sharing** similar to the process approved in Iowa, to protect this low-income population and to ensure access

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to needed services. Additionally, the healthy behaviors incentives provided in the Healthy Michigan Plan could also be increased for enrollees who wish to participate in order to offset the increase in the income-based payment and the amounts could be specified in the terms and conditions. This increased incentive would recognize the positive impacts of beneficiaries' efforts and potential behavior changes as well as support the Department's proposed "expansion of healthy behavior activities."

The Council also recommends clarification be stipulated in the terms and conditions that in order to meet the provisions of the waiver amendment, a beneficiary must have not only 48 cumulative months of enrollment, but for each of the counted 48 months, the family/individual's income must be between 100% and 133% FPL. This requirement would provide protection for those beneficiaries with fluctuating incomes at or near the poverty line.

We are very pleased that the amendment specifies that enrollees who meet the requirements of the waiver amendment "will remain eligible for services consistent with the Alternative Benefit Plan previously approved." This provides important protections to ensure the comprehensive benefits of the Healthy Michigan Plan continue to be available to all eligible individuals regardless of the option chosen.

Finally, I want to note that our Council is committed to continue working with the Department to ensure this critical program provides comprehensive, affordable coverage to low-income Michigan residents and look forward to your approval of this waiver amendment to ensure that opportunity.

We are pleased to have the opportunity to comment as well as this public opportunity to strongly support this very successful program and to reaffirm the position of the Council, that **we are supporting approval of Michigan's waiver amendment with the safeguards and protections for beneficiaries as detailed in our letter.**

Sincerely,



Jan Hudson
Chairperson

cc: Kathy Stiffler, Acting Director
Medical Services Administration

Chris Priest, Incoming Director
Medical Services Administration